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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY**

MERRILL LYNCH BUSINESS  
FINANCIAL SERVICES INC.,

Plaintiff,

vs.

ARTHUR KUPPERMAN; E. ROSS  
BROWNE; PAULETTE KRELMAN,  
PGB INTERNATIONAL, LLC; and JP  
MORGAN CHASE BANK, NATIONAL  
ASSOCIATION,

Defendants.

Docket No: 06-Civ-4802 (DMC)

**REPLY TO COUNTERCLAIM OF  
JPMORGAN CHASE BANK, N.A.**

Plaintiff Merrill Lynch Business Financial Services Inc. ("MLBFS"), for its Reply to the Counterclaim of JPMorgan Chase Bank, N.A. (the "Counterclaimant"):

1. Denies knowledge or information sufficient to form a belief as to the truth of the averments of paragraphs 1-4, 6, 8-16, 18-22, 28, 29, 33, and 34.
2. Admits the averments of paragraphs 17, 23-27, 30-32.
3. Responding to paragraph 35, repeats its responses to the paragraphs referred to therein.

4. Denies the averments of paragraphs 5, 7, 36 and 37 of the Counterclaim.

**FIRST AFFIRMATIVE DEFENSE**

The Counterclaim fails to state a claim upon which relief can be granted.

**SECOND AFFIRMATIVE DEFENSE**

The liens and rights of MLBFS are prior and superior to the liens and rights of the Counterclaimant as a matter of law and as a matter of equity.

**THIRD AFFIRMATIVE DEFENSE**

MLBFS incorporates herein the averments of the Verified Complaint and the Amendment thereto.

**FOURTH AFFIRMATIVE DEFENSE**

The assets of PITTRA G.B. International, Inc. ("PITTRA") were fraudulently transferred to PGB International, LLC ("PGB") to defraud MLBFS. The Counterclaimant knew or should have known of these fraudulent transfers, and the Counterclaimant's interests are therefore subordinate to the interests of MLBFS.

**FIFTH AFFIRMATIVE DEFENSE**

PGB was a vehicle created to defraud MLBFS and is PITTRA's successor and alter ego. PGB and PITTRA in substance the same entity, one being the continuation of the other. MLBFS' lien on the entity's assets is prior and superior to that of Counterclaimant.

**SIXTH AFFIRMATIVE DEFENSE**

MLBFS reserves the right to add additional Affirmative Defenses that may be discovered during the course of this action.

**WHEREFORE**, MLBFS demands judgment:

- A. As demanded in the Verified Complaint and Amendment;
- B. Dismissing the Counterclaim with prejudice; and
- C. Granting such other and further relief as the Court deems just and proper.

BRESSLER, AMERY & ROSS, P.C.  
Attorneys for Plaintiff

By: 

George R. Hirsch

Dated: December 13, 2006